BRITISH COLUMBIA | BCStats

Infoline

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- **BC's unemployment rate inches down to 6.6% in October**
- **Building permits slip in September**
- **Cancer is number one cause of death in BC**

Labour Force

- **British Columbia's unemployment rate inched down to 6.6% (*seasonally adjusted*) in October, its lowest level of 2011.** With the latest decrease in the jobless rate, the incidence of unemployment in BC is now notably below the Canadian average (7.3%).

  Despite this seemingly positive figure, the slight improvement in BC's jobless rate was in fact driven by a drop in employment (-0.5%, or a loss of 10,800 jobs) combined with an even more substantial decline (-0.6%) in the number of people who were either working or looking for work.

  October's decline in employment reversed some of the job gains in September. Job losses were concentrated in the goods sector, where employment fell 4.2%. Workers in agriculture (-18.2%) were particularly hard hit. Employment in manufacturing (-5.1%) and construction (-3.4%) was also down, but other industries in the goods sector were hiring workers.

  Conversely, the service sector saw modest job gains (+0.5%) in October that were concentrated primarily in public administration (+5.7%), health care (+3.6%), finance insurance, real estate & leasing (+2.3%) and educational services (+2.2%).

  Employment was down in the private (-1.6%) sector, while the public sector saw jobs increase by 5.1%. Self-employment decreased significantly (-2.1%).

  The number of full-time jobs was almost unchanged from September (-0.1%) while part-time employment shrank 1.7%.

  Data Source: Statistics Canada

- **The Canadian unemployment rate rose to 7.3% in October, with a decrease of 54,000 (-0.3%) in the number of people with jobs.** Jobless rates were up in four provinces, including Quebec and Ontario. Saskatchewan (4.1%) and Alberta (5.1%) continued to have the lowest unemployment rates in the country. *Data Source: Statistics Canada*

- **Among BC's regions, unemployment rates were lowest in Northeast (4.3%, *three-month moving average*), Mainland/Southwest (6.7%) and Vancouver Island/Coast (6.9%).** On the other end of the scale, unemployment rates remained highest in Cariboo (7.8%) and North Coast/Nechako (8.2%). *Data Source: Statistics Canada*

The Economy

- **The value of building permits issued by BC municipalities plummeted 21.2% (*seasonally adjusted*) in September.** The downturn was due in part to less planned activity in the non-residential (-32.4%) sector. Permits for institutional & government buildings were down by half (-52.2%), and there was also decreased activity in industrial (-25.3%) and commercial (-24.8%) buildings. Meanwhile, permits issued in the residential sector (-16.0%) also slipped.

  Planned spending slowed in three of the province's census metropolitan areas, with Abbotsford-Mission (-31.7%) posting the steepest decline. Victoria (-13.4%) and Vancouver (-17.8%) also recorded double-digit decreases, while Kelowna (+45.7%) bucked the trend with a significant boost. Vancouver accounted for over sixty percent of the total value of

Report **Tourism-Related Establishments**

Did you know...

69% of Canadians made a financial donation to a charitable organization in 2010, up from 65% in 2009. *Source: Ipsos Canada*

building permits issued in the province in September.

Canadian permits were off 4.9%, as slowed activity in some of the more populous provinces, such as Quebec (-0.6%), Alberta (-9.4%) and BC outweighed strength in other parts of the country. *Data Source: Statistics Canada*

- **Year-to-date, building permits were 5.6% lower than in the first nine months of 2010, with decreases in five regions.** Cariboo (-37.1%), where the slump in the value of permits reflected significantly lower spending on residential and institutional projects, and Nechako (-32.0%) saw the most notable declines. The decrease in Vancouver Island/Coast (-5.4%) was concentrated in the industrial, institutional and residential sectors. Permits were also off in Kootenay (-25.1%) and Thompson/Okanagan (-25.7%). On the other hand, the Mainland/Southwest (+0.2%), Northeast (+4.8%) and North Coast (+89.1%) regions of the province fared favourably in the first nine months of the year.

  Data Source: Statistics Canada & BC Stats

- **Sales at British Columbia's food services and drinking places slipped 0.8% (*seasonally adjusted*) to $648.1 million between July and August.** Nationally, revenues in the industry were down 0.7% to just over $4.2 billion with the largest decreases registered in PEI (-1.2%) and Ontario (-1.0%). *Data Source: Statistics Canada*

Causes of Death

- **Cancer (28%) and heart disease (22%) are the two leading causes of death for British Columbians, responsible for half of all deaths in 2008.** Other common causes of death included stroke (7%), lower respiratory diseases (5%), accidents (4%), diabetes (3%), flu (3%) and Alzheimer's (2%). The picture was similar among other provinces and for both male and female Canadians, although the leading causes of death did vary widely by age group. For example, young people (aged 15 to 24), were most likely to die as the result of an accident, followed by suicide and homicide. For this age group, cancer ranked fourth.

  Data Source: Statistics Canada

Television Broadcasting

- **Operating revenues from television broadcasting in Canada expanded 8.0% in 2010, reaching $7.1 billion.** Pay & specialty TV led the way in terms of growth, with revenues soaring 11.1%. At the same time, private conventional television saw revenues increase at a slightly slower rate (+8.8%), while public & non-commercial television inched up (+0.4%). Pay & specialty television represented close to half (49%) of the industry's operating revenues in 2010, compared to just one-third a decade earlier. *Data Source: Statistics Canada*

The Nation

- **Canada's real gross domestic product climbed (+0.3%, *seasonally adjusted*) in August as production increased in oil & gas extraction (+2.6%).** Also contributing to the boost was a 1.4% rise in activity in finance & insurance and a 0.2% increase in retail trade. On the down-side, value added in wholesale trade (-1.4%) and manufacturing (-0.4%) contracted in August. Excluding the energy sector, real GDP was unchanged.

  Data Source: Statistics Canada

- **A price increase for petroleum & coal product (+30.2%) was the main contributor to a 5.3% year-over-year boost in the Industrial Product Price Index (IPPI) in September.** The IPPI was also pushed up by climbing prices for chemical (+8.1%) and primary metal products (+7.8%). These prices increases completely overshadowed a slip in prices for motor vehicles & other transportation equipment (-1.0%). Excluding exchange rate effects, the IPPI would have climbed by 6.0% rather than 5.3%.

  Closer to home, BC softwood lumber prices inched down 0.4% in September while BC pulpwood chip prices were up 1.7%.

  Data Source: Statistics Canada

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Author: Peter Lomasn
250-387-1124

Peter.Lomas@gov.bc.ca
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Infoline Report

Tourism-Related Establishments

Number of establishments inching up

A total of 17,943 tourism-related establishments operated in British Columbia in 2010, slightly more than in 2009. Approximately one in ten business establishments in BC (171,111) were related to tourism in 2010, a proportion that has remained largely constant over time.

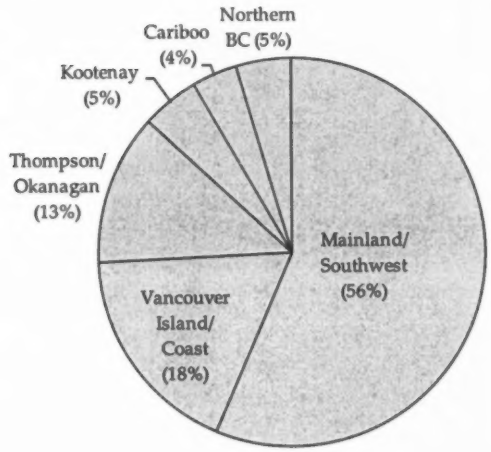
Over half of tourism establishments are in Mainland/Southwest

As one might expect, Mainland/Southwest contained the largest share of tourism-related establishments in British Columbia (56%), followed by Vancouver Island/Coast (18%) and Thompson-Okanagan (12%). Other regions had a much smaller share, with 5% in Kootenay, 4% in Cariboo, and 5% in Northern BC [an aggregate of North Coast (2%), Northeast (2%), and Nechako (1%)]. These proportions have remained nearly unchanged for over a decade.

A note on tourism establishments

BC Stats collects establishment counts from Statistics Canada's Business Register. Each establishment is categorized according to the North American Industry Classification System (NAICS), of which a group of industries have been aggregated and defined as "tourism-related establishments"[1]. The included industries are: food & beverage, transportation, accommodation, amusement, gambling, & recreation, performing arts, spectator sports & related, and heritage institutions. This definition of tourism is specific to establishment counts. Tourism GDP and employment calculations use proportions of production of relevant industries which are attributable to "tourism". However, as it would not make sense to take a proportion of an establishment, an entire establishment is counted only in the industries that have been selected as "most impacted" by tourism.

Vancouver Island/Coast and Thompson/ Okanagan were home to nearly a third of BC's tourism establishments in 2010



More employees than the BC average

Tourism-related establishments provide services to customers, and thus generally require more employees than establishments in other industries. In 2010, 7% of BC establishments had between 20 and 49 employees compared to 16% in tourism-related industries. Tourism industries have employed more individuals than the BC average since 1998 and there have been no significant shifts towards establishments with more or fewer employees.

# of Employees	Proportion of Total Establishments (%)		
	Tourism	Non Tourism	Total BC
1-4	35%	60%	57%
5-9	21%	20%	20%
10-19	20%	11%	12%
20-49	16%	6%	7%
50-199	7%	3%	3%
200+	1%	1%	1%

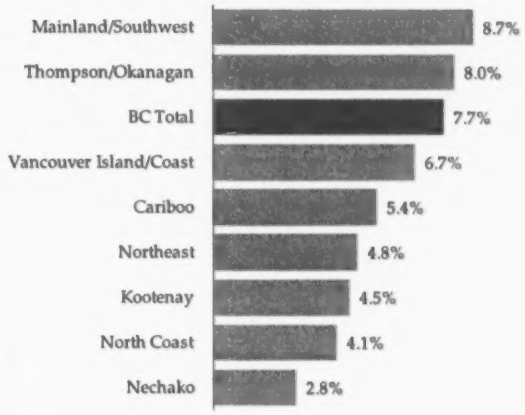
A word of caution

Establishment counts are useful indicators but in themselves do not necessarily measure the economic impact of a particular industry or group of industries. There is no distinction between large and small businesses in a simple establishment count. For example, if a small motel was replaced by a major resort the accommodation establishment count would not change. However, the resort would likely generate more jobs and revenue than a small motel, which would be a significant economic impact. Even so, it is still informative to know where tourism establishments are placed in BC, as well as what are the dominant industries and establishment sizes.

Denser populations lead to larger businesses, but there are variations among industries

Many factors influence whether establishments in a given region are large or small. Population, urbanization, location, local economic conditions, and industry are all things that could influence the typical size of establishments within a region. In 2010, larger regions had more large establishments not only in numbers, but there tended to be a higher proportion of large establishments. For example, there are a similar number of heritage institutions in Vancouver Island/Coast (53) as in Mainland/Southwest (64), despite Vancouver Island/Coast having less than a third of the population[1]. However, in Mainland/Southwest 11% of these establishments had more than 50 employees, a notably greater proportion than Vancouver Island/Coast (4%). The trend of larger establishments in busier areas was more pronounced in some industries than others. For example, location is likely very important for accommodation establishments in urban environments and therefore there may be good reason to build "up", as opposed to building new locations.

Mainland/Southwest and Thompson/ Okanagan had the highest proportion of businesses employing 50+ persons in 2010



Mainland/Southwest featured the highest proportion of large accommodation establishments

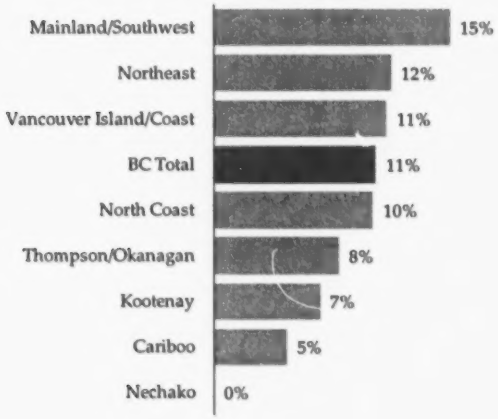
In the accommodation industry, large regions generally featured more large establishments. For example, Mainland/Southwest recorded 563 accommodation establishments in 2010. Thirty-six of these establishments employed more than 200 people, and 87 (15%) had more

[1] In 2010, Mainland/Southwest was estimated to be home to 2,746,963 persons. Vancouver Island/Coast contained 781,245 persons. Source: BC Stats

than 50 employees. This was the highest regional proportion of large accommodation establishments in BC. However, population is only one factor that affects establishment size. Northeast, which accounted for less than 2% of BC's population[2], had the second highest proportion (12%) of accommodation establishments with 50+ employees. This may be due to temporary workers in the area requiring accommodation.

The accommodation industry accounted for 6% of tourism establishments in Mainland/Southwest. This was a far smaller proportion than other regions, but establishments elsewhere were more likely to be small. In the most extreme case, 28% of tourism establishments in Nechako were in the accommodation industry, but roughly half of these had only between one and four employees. There were no accommodation establishments employing more than 50 people in Nechako.

Fifteen percent of accommodation establishments in Mainland/Southwest employed 50+ people in 2010, while none employed that many in Nechako.



Cariboo contained more large eateries than Kootenay and Mainland/ Southwest supported both the very large and very small

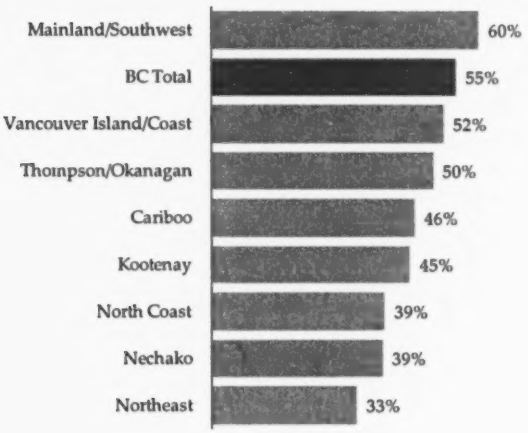
There were 385 places to get food and drink in Kootenay while Cariboo was home to 311 establishments in the same industry. Cariboo, with 21 food & beverage establishments over 50 employees, had over twice the number of large eateries as Kootenay (9) despite the populations of the two regions being of similar size[3]. The larger restaurants in Cariboo may be supported by the urban centre of Prince George as cities in Kootenay are of smaller size. Instead Kootenay had more numerous restaurants of medium/small size (between five and nineteen employees) for a larger total number of food & beverage establishments.

In Mainland/Southwest, 60% of all tourism-related establishments were in the food and beverage industry, more than any other region. Of Mainland/Southwest's total food & beverage establishments, 25% employed between one and four individuals, higher than Vancouver Island/Coast (20%), and Thompson/Okanagan (19%). It is possible that the Mainland/Southwest is better able to support "niche" dining establishments with unique menus than other regions of the province. Mainland/Southwest also had the highest regional proportion of food & beverage establishments employing 50+ persons (9%), resulting in a mix of both large and small food & beverage establishments.

[2] Northeast was home to 69,577 persons in 2010.

[3] In 2010, Kootenay contained 152,530 persons. Cariboo contained 162,046 persons.

Mainland/Southwest had the highest proportion of establishments operating in the food and beverage industry



Northern BC contained very few performing arts & spectator sport establishments

With a relatively small population of 59,280 persons in 2010, North Coast contained one performing arts & sports establishment employing between one and four people. Likely due to remoteness, all of the northern BC regions had few establishments in this industry, with four establishments in Nechako, and seven in Northeast.

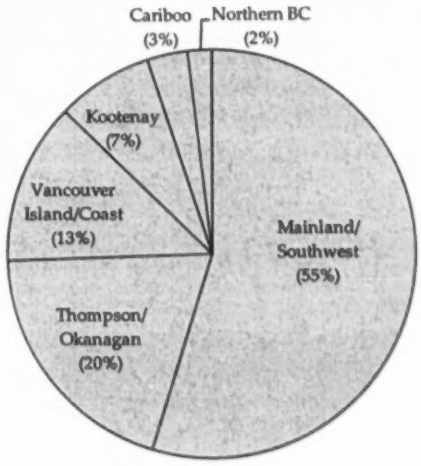
Thompson/Okanagan contained many large amusement, gambling & recreation establishments

Thompson/Okanagan was home to 31 amusement, gambling, & recreation establishments with over 50 employees: more large establishments in this industry than Vancouver Island/Coast (20). These large establishments represented 11% of Thompson/Okanagan's amusement, gambling & recreation establishments, as opposed to 6% in Vancouver Island/Coast.

Not only do they tend to be large, but establishments in Thompson/Okanagan were more likely to be in the amusement industry than establishments in Vancouver Island/Coast, or Mainland/Southwest. Twelve percent of Thompson/Okanagan establishments were in the industry, compared to 11% in Vancouver Island/Coast, or 7% in Mainland/Southwest. However, Mainland/Southwest amusement, gambling & recreation establishments were more likely to be large, with 12% employing over 50 persons.

Establishments in Kootenay were the most likely to be in amusement, gambling & recreation, with 18% of establishments there in that industry. Kootenay's 154 establishments were larger (8% with 50+ employees) and nearly twice as numerous as Cariboo (78, with 6% employing 50+).

Thompson/Okanagan contained 20% of all large (50+ employees) amusement, gambling & recreation establishments in British Columbia.



Appendix

Industrial Group	Establishments	% Total
Food & beverage	9,913	55%
Transportation	3,260	18%
Accommodation	1,913	11%
Amusement, gambling & recreation	1,676	9%
Performing arts & sports	973	5%
Heritage Institutions	208	1%
Total	**17,943**	**100%**

Development Region	Tourism Establishments	% Total
Mainland/Southwest	10,109	56%
Vancouver Island/Coast	3,197	18%
Thompson/Okanagan	2,252	13%
Kootenay	860	5%
Cariboo	679	4%
Northeast	312	2%
North Coast	292	2%
Nechako	218	1%
Total*	**17,943**	**100%**

Source: Statistics Canada Business Register
Prepared by BC Stats

*Components may not add to total as some establishments were missing their geographic code.

Infoline

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Issue 11–44

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BC at a glance . . .

POPULATION (thousands)	Jul 1/2011	% change on one year ago
BC	4,573.3	1.0
Canada	34,482.8	1.0
GDP and INCOME (Released Nov 4)		
(BC - at market prices)	2009	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	191,006	-3.4
GDP *($ 2002 millions)*	161,851	-1.8
GDP *($ 2002 per Capita) (reflects revised pop)*	36,287	-3.5
Personal Disposable Income *($ 2002 per Capita)*	25,374	-1.9
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Aug 2011	3,170	1.4
Merchandise Exports - Aug 2011	2,663	-3.7
Retail Sales - Aug 2011	4,918	0.2
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Sep 2011)	one year ago	% change
BC	2.4	2.4
Vancouver	2.3	2.4
Victoria	2.3	2.2
Canada	3.2	2.8
LABOUR FORCE (thousands)		
(seasonally adjusted)	Sep 2011	% change on prev. month
Jobs Created (-Lost) - BC	31.6	
Labour Force - BC	2,466.0	0.6
Employed - BC	2,299.7	1.4
Unemployed - BC	166.3	-9.7
		Aug 2011
Unemployment Rate - BC *(percent)*	6.7	7.5
Unemployment Rate - Canada *(percent)*	7.1	7.3
INTEREST RATES (percent)	Oct 26/2011	Oct 27/2010
Prime Business Rate	3.00	3.00
Conventional Mortgages - 1 year	3.50	3.20
- 5 year	5.29	5.29
US-CANADA EXCHANGE RATE	Oct 26/2011	Oct 27/2010
(avg. noon spot rate) Cdn $ per US $	1.0101	1.0320
(closing rate) US $ per Cdn $	0.9952	0.9721
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Sep 2011	% change on one year ago
BC	843.67	1.2
Canada	845.51	2.0

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Regional Employment Projections

Updated projections of employment by industry and occupation are now available. The data offers regional detail for College Regions and Development Regions with estimates for 2010 and projections for 2015.

http://www.bcstats.gov.bc.ca/data/lss/repm.asp

Small Business Profile, 2011

The 2011 Edition of the annual profile of small business in British Columbia is now available. The report provides information on British Columbia's small businesses, including number of businesses, employment and small business' contribution to the provincial economy.

http://www.bcstats.gov.bc.ca/data/bus_stat/busind/sm_bus/SBP2011.pdf

High Technology Reports

The 2010 editions of BC Stats' high technology reports are now available. The *Profile of the British Columbia High Technology Sector* measures the growth and performance of B.C.'s high technology sector. The key indicators examined include GDP, revenue, employment, wages and salaries, business counts and international trade. The *Input Indicators of the British Columbia High Technology Sector* report highlights conditions that affect B.C.'s high technology sector from a supply-side perspective. The indicators cover key aspects of the educational, business, government, external and labour sectors. For both these reports, the detailed tables are also available in Excel format.

http://www.bcstats.gov.bc.ca/data/bus_stat/busind/hi_tech.asp

Released this week by BC Stats

- Business Indicators, October 2011
- Labour Force Statistics, October 2011
- Earnings & Employment Trends, October 2011

Next week

- Exports, September 2011
- Provincial Accounts (GDP), Release Nov. 8th

BC Stats, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: 250-387-0327 Fax: 250-387-0380 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca